GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3204
ANSWERED ON:05.12.2016
Natural Gas Discovery in KG Basin
Rao (Avnthi) Shri Muthamsetti Srinivasa

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether huge natural gas reserves have been discovered in the Krishna Godavari (KG) Basin in Bay of Bengal following a joint exploration by India and the United States;
(b) if so, the details thereof; and
(c) whether the Andhra Pradesh Government has insisted on a share of royalty from the off shore exploration of oil and gas reserves from the KG Basin if so, the details thereof and the reaction of the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):
(a) & (b) No natural gas reserves have been discovered in the Krishna Godavari (KG) Basin in Bay of Bengal following a joint exploration by India and the United States. However, huge Gas Hydrate deposits have been located in KG basin (Offshore) through expedition carried out in technical collaboration with USA and Japan under an MoU. In India, Gas Hydrate research and exploratory activities are being carried out under National Gas Hydrate Program (NGHP) steered by the Ministry of Petroleum & Natural Gas. NGHP-Expedition-02 carried out in 2015 drilled 42 wells at 25 sites in Krishna Godavari and Mahanadi area in sand reservoirs for gas hydrates and has discovered gas-hydrate-bearing sand reservoir system in the Krishna Godavari area.
(c) Government of India received the request of the Andhra Pradesh Government for sharing of offshore mining royalties with the State Government. Under Article 297 of the Constitution, Petroleum in its natural State in the Territorial Waters and the Continental Shelf is vested in the Union of India. Section 6A of the Oil (Regulation and Development) Act, 1948 and Rule 14 of the Petroleum and Natural Gas Rules, 1959 provide that lessee of offshore leases pay royalty to the Central Government. Therefore, the royalty from offshore mining lease areas accrue to the Union of India and the extant statutory provisions do not provide for sharing of offshore mining royalties with the State Government. The views of the Government of India, considering above provisions, were communicated to the Government of Andhra Pradesh.
****
: